News Release Archive

S&P/Experian Consumer Credit Default Indices Show Default Rates Continued To Fall In June 2018

No Loan Types Higher for Second Consecutive Month

NEW YORK, July 17, 2018 /PRNewswire/ -- S&P Dow Jones Indices and Experian released today data through June 2018 for the S&P/Experian Consumer Credit Default Indices. The indices represent a comprehensive measure of changes in consumer credit defaults and show that the composite rate decreased three basis points from last month to 0.86%. The bank card default rate dropped 13 basis points to 3.71%. The auto loan default rate was unchanged at 0.93%. The first mortgage default rate declined by three basis points, to 0.63%.

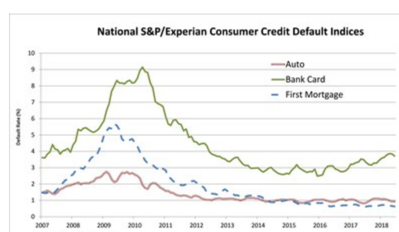
Three of the five major cities recorded decreases in composite default rates in June 2018. Miami showed the largest decrease, falling 47 basis points to 2.30%. The default rate for New York fell four basis points to 0.88%, while the rate for Chicago fell two basis points to 0.86%. Los Angeles and Dallas both showed higher default rates; Los Angeles was three basis points higher in June at 0.65%, and Dallas was four basis points higher at 0.84%.

This is the second consecutive month where default rates for all loan types dropped or remained the same; however, each of the rates is still higher than they were 12 months ago. Similarly, the 47 basis point drop for Miami was the largest single-month drop for an MSA since June 2013, yet its default rate still remains elevated compared to levels seen last year.

"The favorable economic conditions consumers enjoyed in the last few years are confirmed by more than the current low levels of consumer credit default rates," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "Unemployment was falling to 4% or lower, inflation barely crept up after touching zero in 2015, and real (inflation adjusted) earnings rose as wages outpaced inflation. The ratio of household debt service to disposable income stayed close to the lowest levels in three decades.

"The Federal Reserve's reaction to the low unemployment rate was to raise interest rates to deter any increase in inflation. In the last month, the year-over-year rise in the consumer price index moved clearly above 2% and the Fed again raised its benchmark rate, the Fed funds rate, by a quarter percentage point. Oil prices are rising and may push inflation higher. Weekly unemployment claims continue to drop, pointing to a further decline in the unemployment rate. These trends explain why the markets are expecting further rate increases from the Fed. Today's favorable consumer economy may be slowly shifting towards higher interest and inflation rates."

The table below summarizes the May 2018 results for the S&P/Experian Credit Default Indices. These data are not seasonally adjusted and are not subject to revision.



S&P/Experian Consumer Credit Default Indices National Indices			
Index	**June 2018 Index Level**	**May 2018 Index Level**	**June 2017 Index Level**
Composite	0.86	0.89	0.82
First Mortgage	0.63	0.66	0.60
Bank Card	3.71	3.84	3.49
Auto Loans	0.93	0.93	0.82

Source: S&P/Experian Consumer Credit Default Indices
Data through June 2018

The table below provides the S&P/Experian Consumer Default Composite Indices for the five MSAs:

Metropolitan Statistical Area	June 2018 Index Level	May 2018 Index Level	June 2017 Index Level
New York	0.88	0.92	0.88
Chicago	0.86	0.88	0.91
Dallas	0.84	0.80	0.67
Los Angeles	0.65	0.62	0.66
Miami	2.30	2.77	1.17

Source: S&P/Experian Consumer Credit Default Indices
Data through June 2018

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT THE S&P/EXPERIAN CONSUMER CREDIT DEFAULT INDICES

Jointly developed by S&P Dow Jones Indices LLC and Experian, the S&P/Experian Consumer Credit Default Indices are published on the third Tuesday of each month at 9:00 am ET. They are constructed to track the default experience of consumer balances in four key loan categories: auto, bankcard, first mortgage lien and second mortgage lien. The Indices are calculated based on data extracted from Experian's consumer credit database. This database is populated with individual consumer loan and payment data submitted by lenders to Experian every month. Experian's base of data contributors includes leading banks and mortgage companies, and covers approximately $11 trillion in outstanding loans sourced from 11,500 lenders.

For more information, please visit: https://www.spindices.com/indices/indicators/sp-experian-consumer-credit-default-composite-index.

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